

**State of Washington  
Summary Schedule of Prior Audit Findings  
For Years Prior to Fiscal Year 2001**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

***OMB Circular A-133 Audit  
For the Fiscal Year Ended  
June 30, 2001***

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\* Indicates completion of corrective action in FY 2000. Details can be found in FY 2000 State of Washington Corrective Action Plan. Listed per requirement of Circular A-133 §\_\_\_\_.315 (b)(1).

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>	
00	1	Finding:	DSHS' Division of Alcohol and Substance Abuse (DASA) has not established sufficient internal controls over the federal Substance Abuse Prevention and Treatment Block Grant to ensure compliance with program requirements.
		Questioned Costs:	CFDA #      Amount 93.959      \$28,411,141 (refer to comment under 1.1 Corrective Action)
		Status:	Corrective action complete
	1.1	Sub-finding:	DASA is unable to provide original supporting documentation for expenditures. Supporting documents needed for audit testing were either unavailable or no longer in existence.
		Status:	Corrective action complete
		Corrective Action:	DASA is retaining all original payment documents. Original copies have been retained since January 1, 2001. A revised batch numbering system also was designed and implemented effective March 1, 2001. DASA will retain all original payment documents in the official contract file. Per December 10, 2001, letter from the federal Department of Health and Human Services, no adjustment is necessary regarding the questioned costs of \$28,411,141.
	1.2	Completion Date:	March 1, 2001
		Sub-finding:	DASA has insufficient review and authorization procedures in place to ensure payments to vendors and subrecipients are reasonable and allowable under program requirements.
		Status:	Corrective action complete
		Corrective Action:	An internal workgroup was established and review of the internal policy has been conducted. Policy was revised based on this review. Staff training protocol was developed and mandatory training occurred on May 21, 2001.
		Completion Date:	May 21, 2001

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>	
00	1.3	Sub-finding:	DASA has insufficient written policies or procedures in place to address how program expenditures are processed or how subrecipients are monitored.
		Status:	Corrective action complete
		Corrective Action:	An internal workgroup was established to review internal contract management policy to ensure it included procedures for processing program payments and monitoring subrecipient contracts. Policies and procedures were revised based on this review. A staff training protocol was developed on the new policies and procedures and mandatory training occurred on May 21, 2001.
		Completion Date:	May 21, 2001
	1.4	Sub-finding	DASA does not ensure staff members possess adequate knowledge of requirements for processing expenditures, monitoring subrecipients, and contracting with service providers.
		Status:	Corrective action complete
		Corrective Action:	Comprehensive staff training was designed and training occurred on May 21, 2001.
	1.5	Completion Date:	May 21, 2001
		Sub-finding:	DASA has not performed adequate subrecipient monitoring to ensure compliance with federally mandated program activity or expenditure requirements.
		Status:	Corrective action is pending a decision on whether DSHS' contractors are subrecipients.
		Corrective Action:	DSHS addressed this issue for all Departmental programs in its response to Finding 00-12. As stated in the response, the agency does not believe it has legally defined subrecipients.

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
00	1.5	Completion Date: N/A
	1.6	<p>Sub-finding: DASA does not ensure certification by subrecipients and some vendors that they have not been suspended or debarred from using federal funds to provide services.</p> <p>Status: Corrective action complete</p> <p>Corrective Action: DSHS has taken the following actions:            €# DSHS' Central Contracts Services unit (CCS) has developed, and distributed for use, a certification form to be signed by contractors. Due to the confusing federally developed certification language, CCS has also created an optional "frequently asked questions" instruction / explanation page for programs to provide contractors.            €# CCS has provided formal training on the suspension and debarment, including certifications, to its unit staff and the department's Key Contract Coordinators (including DASA) on October 18, 2000.            €# Finally, the CCS staff has included information regarding suspension and debarment requirements in the October 2000 CCS Newsletter.            Additional comments on actions taken by DSHS can be found under Finding 00-13.</p> <p>Completion Date: October 31, 2000</p>
	1.7	<p>Sub-finding: DASA has not established procedures for collecting, nor obtained, documentation to support the independent status of participants conducting mandated peer reviews assessing the quality and effectiveness of treatment.</p> <p>Status: Corrective action complete</p> <p>Corrective Action: Certification was obtained for the 2001 peer review. New procedures in place require all peer reviewers sign a certification. Training on these procedures occurred in May 2001.</p> <p>Completion Date: May 2001</p>

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>		
00	2	Finding:	DSHS' Division of Child Support (DCS) did not comply with regulations for allowable and allocable costs in the Child Support Enforcement program.	
		Questioned Costs:	CFDA # 93.563	Amount \$276,680
		Status:	Corrective action mostly complete	
	2.1	Sub-finding:	DCS charged the federal program unallowable costs - salaries and benefits for non-division staff members that did not complete required time sheets or use any other allowable method for supporting time charged to the program. Unsupported charges totaled \$233,604.	
		Status:	Corrective action in progress	
		Corrective Action:	Review cross-divisional charges and determine appropriate methodology to allocate those costs. Work includes coordination with DSHS' Office of Accounting Services, Economic Services Administration, as well as other administrative and divisional units. DCS staff will review monthly agency financial reporting system (FRS) reports and statewide accounting system (AFRS) reports and payroll registers to ensure all charges are appropriate.	
	2.2	Completion Date:	February 2002	
		Sub-finding:	DCS charged the federal program unallowable costs (allocated costs for various committees lacked documentation linking costs to the federal program). Unsupported charges totaled \$2,744.	
		Status:	Corrective action complete	
		Corrective Action:	All the committees in the 110-38XX series have been reviewed. It was determined that seven of the committees are being processed correctly. The remaining eight committees were moved to state only funding.  Beginning in April 2001, charges for these eight committees were directed to a state only funding schedule. Charges from the period of July 1999 through March 2001 were moved from federal to state in June 2001.	
		Completion Date:	June 2001	

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
00	2.3	<p>Sub-finding: DCS allowed payments to former employees and attorneys for fines and penalties assessed against the Department (as a result of settlement agreements) to be charged to federal program. Payments for fines and penalties are not allowed under federal cost principle regulation. Total costs determined to be unallowable was \$40,332.</p> <p>Status: Corrective action complete</p> <p>Corrective Action: DCS provided training to accounts payable staff regarding unallowable charges to federal funds. Unallowable costs were reimbursed to the federal government in June 2001 (Warrant No. 551418H).</p> <p>Completion Date: June 2001</p>

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>		
00	3	Finding:	DSHS' Division of Child Support (DCS) did not report its total federal Child Support Enforcement program expenditures for the State of Washington Schedule of Expenditures of Federal Awards.	
		Questioned Costs:	CFDA # 93.563	Amount \$0
		Status:	Corrective action complete	
	3.1	Sub-finding	DSHS did not report \$14,307,610 in cost incentives when reporting total expenditures for the Child Support Enforcement program (CFDA # 93.563).	
		Corrective Action:	DSHS did not concur with the audit finding. Subsequent review by officials of HHS determined that the cost incentive payments should be reported, starting in FY2001. \$14,675,999 was reported in FY2001. The presentation for federal expenditures for CFDA 93.563 in the FY 2001 Schedule of Expenditures of Federal Awards agrees with Line 15 of the Office of Child Support Enforcement OCSE-396A (Part1) claim for the year ending June 30, 2001.	
		Completion Date:	November 2001	
	3.2	Sub-finding:	The Department failed to separately identify the federal portion passed through to its subrecipients as mandated by state reporting instructions.	
		Status:	Corrective action is pending a decision on whether DSHS' contractors are subrecipients.	
		Corrective Action:	DSHS addressed this issue for all Departmental programs in its response to Finding 00-12. As stated in the response, the agency does not believe it has legally defined subrecipients. Therefore, there was no information to be included on the FY 2000 Schedule of Expenditures of Federal Awards as amounts passed through to subrecipients for DCS.	
		Completion Date:	N/A	

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>		
00	4	Finding:	DSHS does not have adequate controls in place to prevent overpayments of Child Care program expenditures.	
		Questioned Costs:	CFDA # 93.596	Amount \$25,985
		Status:	Corrective action mostly complete	
	4.1	Sub-finding	Social Service Payment System (SSPS) allows multiple payment authorizations for the same child in the same month	
		Status:	Corrective action nearly complete	
		Corrective Action:	<p><u>Consideration of system edits to ensure accurate payments.</u>  The Working Connections Automated Program (WCAP) and the Social Service Payment System (SSPS) were reviewed and evaluated for system changes that would provide edits necessary to preclude overpayments due to duplicate authorizations and/or authorizations that exceed the maximum number of days allowed. Neither system could be modified to the extent required without restricting the number of payment days in place for other Department users of SSPS or precluding exception to policy instances allowed under policy. The determination was finalized March 2001.</p> <p><u>Minimize errors caused by multiple authorization entries and changes in service provider.</u>  The Working Connections Child Care (WCCC) staff and SSPS staff, in conjunction with the Community Services Division, developed two training packages to address the problem.</p> <p>The first training program was designed for Department personnel, particularly field office personnel, who input eligibility and provider changes. Focus of the training is how to input eligibility and provider changes without causing multiple authorizations. The curriculum and training plan was completed in August 2001 and is presently being presented to field office personnel.</p> <p>The second package is directed at providers. The focus is on correct absence day and billing policies. The provider training package was piloted in April 2001 (well received by home and day care providers in attendance). DSHS is presently initiating the process to select and contract with a consultant to provide training starting in April 2002.</p>	
		Completion Date:	June 2002	



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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>	
00	4.2	Sub-finding	Where there are multiple partial-month authorizations, the payment system method of counting days in a month allows the total authorization to exceed the program limit of 22 days.
		Status	Corrective action mostly complete
		Corrective Action:	Refer to 4.1 corrective action statement for reason why system could not be modified to preclude authorizations exceeding monthly limit of twenty-two days.
			In lieu of system enhancements, the following actions were, or are being, taken:
			1. SSPS designed a new monthly report for use by supervisors to identify and review concurrent payments for overpayments. Any overpayments identified are documented and forwarded to the Office of Financial Recovery for collection. In addition, statewide overpayment training was provided to field staff. This action was completed by September 30, 2000.
			2. WCCC convened a Quality Improvement team to develop a new payment policy and new business requirements for a system to standardize tracking attendance and payment. The team completed its work in April of 2001.
			3. A cost analysis of the new payment policy is presently underway which eventually will lead to testing and development of a pilot project.
			4. WCCC also initiated a Quality Control project that would profile and sample at risk billings to ensure payment accuracy. Launched on November 1, 2001, the project is currently underway.
		Completion Date:	April 2002

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
00	4.3	<p>Sub-finding: Procedures are insufficient to adequately monitor and recover overpayments resulting from these multiple authorizations.</p> <p>Status: Corrective action complete</p> <p>Corrective Action: <u>Establish procedures requiring monitoring of child day care provider payment reports to identify overpayments.</u>  On-going monitoring requirements for new SSPS Payment Alert report (SPS40N51) were sent to field staff and WCCC supervisors trained on use of report. WCCC staff access Alert reports on last day of month and review each case. Overpayments completed electronically are identified and automatically posted to the Payment Alert Summary Report for WCCC Supervisor, Regional Office and State Office review. The Payment Alert Report and process was operational as of November 2000.</p> <p><u>Ensure supervisors perform regular case file reviews on a routine, scheduled basis.</u>  An electronic Supervisory Review form was programmed into WCAP and distributed to respective supervisors. Training and technical support has been made available to Supervisors in the use of this tool to complete the required 1% monthly caseload review. Completed September 1, 2000.</p> <p><u>Work with the appropriate federal funding agency to determine what amount must be repaid to the federal government.</u>  DSHS officials contacted federal officials and agreed that \$25,985 was the correct amount to be returned to the federal government. DSHS was advised to withhold repayment until the federal agency made its final management decision.</p> <p>Completion Date: August 2001</p>

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**Department of Social and Health Services (DSHS)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>		
00	5	Finding:	The Department of Social and Health Services' Medical Assistance Administration (MAA) did not include a required federal component when it set maximum prices for multiple-source Medicaid prescription costs.	
		Questioned Costs:	CFDA # 93.778	Amount \$0
		Status:	Corrective action complete	
	5.1	Sub-finding	That MAA's drug pricing algorithm be corrected to include the established Federal Upper Limit (FUL) in compliance with the State plan.	
		Corrective Action:	The State's drug payment algorithm was changed to automatically include consideration of the FUL. The change was also made in the Medicaid Management Information System (MMIS).	
		Status:	Corrective action complete	
	5.2	Completion Date:	February 17, 2001	
		Sub-finding	Did MAA exceed the aggregate upper payment limit for multi-sourcing drugs on the FUL list, and thus owe HCFA a refund of federal financial participation?	
		Corrective Action:	From MAA' paid claims history file, the Division of Information Services created a file extract consisting of all paid claims with dates of service July 1, 1999, through March 31, 2000, for drugs that had an FUL in effect at any time during the period. An analysis of the file identified an overpayment amount. The overpayment was returned on the September 30, 2001, Quarterly Medicaid Statement of Expenditures and Medical Assistance report.	
		Status:	Corrective action complete	
		Completion Date:	October 2001	

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**Employment Security Department (ESD)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>		
00	6	Finding:	ESD did not comply with regulations for allowable and allocable costs for the Unemployment Insurance, Wagner-Peyser and WorkFirst programs.	
		Questioned Costs:	CFDA #	Amount
			17.207	\$195,689
			17.225	511,904
			93.558	<u>64,518</u>
			Total	\$772,111
		Status:	Corrective action partially complete	
		Corrective Action:	<p>The Employment Security Department (ESD) did not agree with the questioning of costs related to this finding. ESD believes the nature of many of the positions cited in the finding made documenting effort difficult, if not impossible. Positions such as a supervisor of an IS help desk, a budget analyst, and an employee in a mailroom cannot reasonably document their time and effort by funding source.</p> <p>To address the situation the ESD has taken the following corrective actions:</p> <ol style="list-style-type: none"> <li>1. Moved several of the affected positions into the agency's approved cost allocation plan. Assigned codes which automatically allocate time for providing agency-wide services.</li> <li>2. Distributed a department-wide memorandum reiterating proper time reporting practices.</li> <li>3. Conducted workload counts to monitor and support time charging for affected staff in accordance with federal regulations.</li> <li>4. At the request of the federal Health and Human Services Department, provided on November 7, 2001, additional supporting information regarding the five positions charged to the WorkFirst program.</li> <li>5. Consulted with federal Department of Labor officials on reasonable and acceptable ways to account for payroll costs charged to Labor federal funds.</li> </ol>	
		Completion Date:	July 1, 2002	

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**Employment Security Department (ESD)**

Fiscal Year	Finding Number	Finding and Corrective Action Plan		
00	7	Finding:	ESD's controls over accounts receivable and the safeguarding of related cash receipts need improvement.	
		Questioned Costs:	CFDA # 17.225	Amount \$0
		Status:	Corrective action complete	
		Corrective Action:	<p>ESD modified its General Unemployment Insurance Development Effort (GUIDE) and Tax Information System (TAXIS) systems to ensure the subsidiary accounts receivable ledgers roll up and agree with control account totals. The control account totals are posted to the Agency Financial Reporting System (AFRS).</p> <p>ESD studied the feasibility of performing reconciliations between TAXIS accounts receivable activity and cash journals, bank deposits and other agency records. ESD determined that such reconciliations could not be accomplished within current department system and budget constraints.</p>	
		Completion Date:	June 30, 2001	

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**Community Colleges of Spokane**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>		
00	9	Finding:	Community Colleges of Spokane charged indirect costs to the Head Start program without a negotiated indirect cost agreement.	
		Questioned Costs:	CFDA # 93.600	Amount \$0
		Status:	Corrective action complete	
		Corrective Action:	<p>The administrative costs actually charged as direct costs in FY 2000 and in the prior grant year were submitted in the award proposals, with the costs approved as "other direct costs" in the award budgets. The rate used to charge administrative costs in the past was reasonable, created no negative impact on the federal awards, and had the concurrence of the federal funding agency (budget approval).</p> <p>To correct the audit finding, Community Colleges of Spokane submitted an indirect cost proposal to the Department of Health and Human Services, Division of Cost Allocation. On June 25, 2001, the District received federal approval for its indirect cost proposal.</p>	
		Completion Date:	June 25, 2001	

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**The State of Washington (Departments of Ecology, Military, & Social and Health Services)**

Fiscal Year	Finding Number	Finding and Corrective Action Plan															
00	12	Finding:	The State of Washington is not complying with subrecipient monitoring requirements for some of the federal programs it administers.														
		Questioned Costs:	<table><tr><td>CFDA #</td><td>Amount</td></tr><tr><td>66.001</td><td>\$0</td></tr><tr><td>66.458</td><td>\$0</td></tr><tr><td>83.548</td><td>\$0</td></tr><tr><td>93.563</td><td>\$0</td></tr><tr><td>93.778</td><td>\$0</td></tr><tr><td>93.959</td><td>Refer to Finding 00-1</td></tr></table>	CFDA #	Amount	66.001	\$0	66.458	\$0	83.548	\$0	93.563	\$0	93.778	\$0	93.959	Refer to Finding 00-1
CFDA #	Amount																
66.001	\$0																
66.458	\$0																
83.548	\$0																
93.563	\$0																
93.778	\$0																
93.959	Refer to Finding 00-1																
		Status:	Corrective action is mostly complete														
		Corrective Action:	<p><b><u>Statewide</u></b></p> <p>At the statewide level, Washington has focused additional time, training and policy on federal subrecipient monitoring responsibilities since the publication of the revised Circular A-133 in 1997. A specific section in the <i>Statewide Administrative and Accounting Manual</i> outlines a pass-through agency’s subrecipient monitoring responsibilities.</p> <p>The Office of Financial Management expanded the federal Subrecipient Monitoring component in two of its statewide training classes offered state agency personnel (Federal Grant Administration and Compliance: Federal Single Audit Act). Class presentation and handouts updated as of Spring Quarter, 2001.</p> <p><b><u>Department of Ecology</u></b></p> <p><i>Air Pollution Control Program</i> (66.001)</p> <p><i>Capitalization Grant for State Revolving Funds</i> (66.458)</p> <p>The Department of Ecology has taken the following corrective actions:</p> <ol style="list-style-type: none"><li>1. Reviewed its agreements to ensure subrecipients are properly identified.</li><li>2. The agency has included the Catalog of Federal Domestic Assistance (CFDA) number, the name of the awarding federal agency and the federal requirements for the program (including those related to audits), in its agreements.</li><li>3. The agency has developed a process to notify recipients of their responsibilities each time they receive federal funds from the agency. This includes a reminder on their responsibilities as a federal subrecipient</li><li>4. Ecology has established a database to track audits received on recipients of federal funds.</li><li>5. The agency will require ongoing training of new staff particularly those involved in writing agreements.</li></ol> <p>The Department of Ecology will not have additional resources in its 2001-2003 budget to expand monitoring activities as suggested in the audit.</p>														

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**The State of Washington (Departments of Ecology, Military, & Social and Health Services)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
00	12	<p>Finding: The State of Washington is not complying with subrecipient monitoring requirements for some of the federal programs it administers.</p> <p>Corrective Action (cont'd) <b><u>Military Department</u></b>  <i>Hazard Mitigation Program (83.548)</i></p> <p>The Military Department is faced with unique circumstances. Grants from the federal funding agency and sub-contracts with program administrators often are signed under crisis conditions. The Military Department has also endured high turnover in its administrative personnel. Despite these facts, the agency has a strong commitment to improve its subrecipient monitoring capabilities:</p> <ul style="list-style-type: none"> <li>⌘ Ten department employees (program administrators, project supervisors and contract specialists) attended: <ol style="list-style-type: none"> <li>1. A State provided seven-hour training course on federal grant administration, October 1, 2001.</li> <li>2. A State provided six-hour training course on compliance with federal single audit requirements on October 30, 2001.</li> </ol> </li> <li>⌘ Program staff have established formal procedures for monitoring of subrecipients, including review and follow-up on federal single audit findings.</li> <li>⌘ Contract language has been revised to provide subrecipients with full information on funding identify and federal requirements.</li> </ul> <p><b><u>Department of Social and Health Services (DSHS)</u></b>  <i>Child Support Enforcement Program (93.563)</i>  <i>Medicaid (93.778)</i>  <i>Substance Abuses Prevention &amp; Treatment Block Grant (93.959)</i></p> <p>DSHS does not concur with the finding.</p> <p>DASA (Program 93.959) has a comprehensive policy and procedure for contract management and has substantial monitoring taking place to ensure compliance with contract requirements. Monitoring is done on a contract-type basis rather than by funding source. During their review, the auditors did not consider documentation supporting monitoring activities where there was no specific reference to the Substance Abuse Prevention and Treatment Block Grant.</p>



**State of Washington**  
**Summary Schedule of Prior Audit Findings**  
**For Years Prior to Fiscal Year 2001**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

*OMB Circular A-133 Audit  
For the Fiscal Year Ended  
June 30, 2001*

**The State of Washington (Departments of Ecology, Military, & Social and Health Services)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
00	12	<p>Finding: The State of Washington is not complying with subrecipient monitoring requirements for some of the federal programs it administers.</p> <p>Corrective Action (cont'd) <b>Department of Social and Health Services (cont'd)</b>  All of the contracts identified in the finding are with governmental entities. These contracts/agreements are authorized and regulated as inter-local agreements by State of Washington law (RCW 39.34). As such, the DSHS does not believe the contracts are subrecipient in nature.</p> <p>DSHS is in the process of updating its departmental Policy 16.07 – Single Audit Responsibilities to ensure all DSHS programs are aware of subrecipient monitoring functions. The draft policy is presently before senior management for review and approval.</p> <p>Additionally, DSHS is developing and implementing procedures for monitoring all reports issued by the State Auditor's Office to ensure no major weaknesses exist regarding DSHS administered programs.</p> <p>Completion Date: February 2002</p>

**State of Washington  
Summary Schedule of Prior Audit Findings  
For Years Prior to Fiscal Year 2001**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

**OMB Circular A-133 Audit  
For the Fiscal Year Ended  
June 30, 2001**

**The State of Washington (Departments of Commerce, Trade & Economic Development;  
Ecology; Military; Social and Health Services and Transportation)**

Fiscal Year	Finding Number	Finding and Corrective Action Plan			
00	13	Finding:	The State of Washington is not complying with suspension and debarment requirements for some of the federal programs it administers.		
		Questioned Costs:	CFDA #	Amount	
			20.505	\$0	
			66.001	\$0	
			66.458	\$0	
			66.468	\$0	
			83.544	\$0	
			83.548	\$0	
			93.563	\$0	
			93.778	\$0	
		Status:	Corrective action complete		
		Corrective Action:	<p><b><u>Statewide</u></b></p> <p>The Office of Financial Management has expanded training coverage on suspension and debarment federal requirements. The subject, previously covered in one training class, has been expanded to coverage in three different classes provided to state agency personnel. The Federal Grants Administration class not only covers the policy and requirements, but also provides handout material covering instructions for certification and suggested certification language. Training class material was updated as of the Spring Quarter, 2001.</p> <p><b><u>Department of Community, Trade and Economic Development (CTED)</u></b></p> <p><i>Drinking Water Capitalization Grants (66.468)</i></p> <p>Corrective active was taken by CTED’ Office of Community Development (OCD). To ensure that employees dealing with federal programs were properly trained on suspension and debarment requirements, OCD sent several employees to the State sponsored classes on Federal Grant Administration (7 hours) and Compliance with Federal Single Audit Requirements (6 hours) in October 2001.</p> <p>OCD has established policies and procedures to implement suspension and debarment requirements including certification requirements. As of June 30, 2001, the language in the loan agreement boilerplate for federal funds has been changed to reflect suspension and debarment requirements. In addition, all borrowers are now required to sign a suspension and debarment certification as part of their loan agreement award process.</p>		

**State of Washington**  
**Summary Schedule of Prior Audit Findings**  
**For Years Prior to Fiscal Year 2001**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

**OMB Circular A-133 Audit**  
**For the Fiscal Year Ended**  
**June 30, 2001**

**The State of Washington (Departments of Commerce, Trade & Economic Development; Ecology; Military; Social and Health Services and Transportation)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
00	13	<p>Finding: The State of Washington is not complying with suspension and debarment requirements for some of the federal programs it administers.</p> <p>Corrective Action (cont'd)</p> <p><b><u>Department of Ecology</u></b>  <i>Air Pollution Control Program Support (66.001)</i>  <i>Capitalization Grants for State Revolving Fund (66.458)</i></p> <p>As of August 2001, agency contract officers responsible for writing agreements were instructed on the use of suspension and debarment certification forms and standard language was developed for use across the agency in applicable agreements.</p> <p>All agency staff who work with federal programs have been notified of the training offered by the Office of Financial Management and have been advised to attend (on-going requirement).</p> <p><b><u>Military Department</u></b>  <i>Public Assistance Grants (83.544)</i>  <i>Hazard Mitigation Grants (83.548)</i></p> <p>Ten department employees (program administrators, project supervisors and contract specialists) attended a seven-hour training course on federal grant administration, October 1, 2001. Suspension and debarment requirements were included in the class curriculum.</p> <p>As of June 30, 2001, the Public Assistance and Hazard Mitigation contracts have been revised to include appropriate certification language regarding suspension and debarment. Contract language has also been revised to draw attention to the certification.</p> <p><b><u>Department of Social and Health Services (DSHS)</u></b>  <i>Child Support Enforcement (93.563)</i>  <i>Medicaid (93.778)</i></p> <p><b><u>Department</u></b></p> <p>## DSHS' Central Contracts Services unit (CCS) has developed, and distributed for use, a certification form to be signed by contractors. Due to the confusing federally developed certification language, CCS has also created an optional "frequently asked questions" instruction / explanation page for programs to provide contractors.</p> <p>## CCS has provided formal training on the suspension and debarment, including certifications, to its unit staff and the department's Key Contract Coordinators (including DASA) on October 18, 2000.</p> <p>## Finally, the CCS staff included information regarding suspension and debarment requirements in the October 2000 CCS Newsletter.</p>

**State of Washington  
Summary Schedule of Prior Audit Findings  
For Years Prior to Fiscal Year 2001**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

**OMB Circular A-133 Audit  
For the Fiscal Year Ended  
June 30, 2001**

**The State of Washington (Departments of Commerce, Trade & Economic Development;  
Ecology; Military; Social and Health Services and Transportation)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
00	13	<p>Finding: The State of Washington is not complying with suspension and debarment requirements for some of the federal programs it administers.</p> <p>Corrective Action (cont'd)</p> <p><b><u>Department of Social and Health Services (DSHS)</u></b>  <b><u>Division of Child Support</u></b>  By July 1, 2001, retroactively obtained certification forms from all vendors receiving annual amounts of federal funds over \$100,000. The Division also established procedures to utilize Department contract language and certification form for all appropriate contract situations.</p> <p><b><u>Medical Assistance Administration</u></b>  Effective May 1, 2001, included certification documents in all core provider agreement packages sent to new subrecipients and vendors. Completion of the certification is required prior to enrollment in the Medicaid program.</p> <p>Established procedures to identify, provide notice, and initiate disenrollment of any subrecipient or vendor federally suspended, debarred or voluntarily excluded from participation in federally funded activity.</p> <p><b><u>Division of Alcohol and Substance Abuse (DASA)</u></b>  Effective May 2001, all new contracts initiated contained the certification language. All existing contracts were amended effective July 1, 2001.</p> <p><b><u>Department of Transportation (WSDOT)</u></b>  <i>Federal Transit Metropolitan Planning Grants (20.505)</i></p> <p>The WSDOT Planning Office established procedures to ensure that all Metropolitan Planning agreements, negotiated after July 1, 2001, contained requirements for obtaining certification from subrecipients that they have not been suspended nor debarred from receiving federal funds</p> <p>Completion Date: October 30, 2001</p>

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**State of Washington**  
**Summary Schedule of Prior Audit Findings**  
**For Years Prior to Fiscal Year 2001**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133.)

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*OMB Circular A-133 Audit*  
*For the Fiscal Year Ended*  
*June 30, 2001*

**Employment Security Department (ESD)**

<b>Fiscal Year</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
99	6	<p>Finding: ESD had not established accountability over accounts receivable.</p> <p>Status: Corrective action complete</p> <p>Corrective Action: Refer to Finding 00-7 which was a repeat finding issued before corrective action took place.</p> <p>Completion Date: June 30, 2001</p>